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IBM CORPORATION (RHF) C/O ROBERT H. FRANTZ P. O. BOX 23324 OKLAHOMA CITY, OK 73123			EXAMINER HAMILTON, LALITA M	
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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* LELAND JAMES WIESEHUGEL, REBECCA LYNN  
ROBERTS, WILLIAM JAMES MORRISON, and JACOB MARVIN  
RZEPKA

Appeal 2009-1641  
Application 09/714,726  
Technology Center 3600

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Decided:<sup>1</sup> March 31, 2009

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Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
DAVID B. WALKER, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

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<sup>1</sup>The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

## STATEMENT OF THE CASE

Leland James Wiesebugel, et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-23. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We REVERSE.<sup>2</sup>

## THE INVENTION

The invention is a system and method of preparing offerings to bidders, who may submit bids in response. (Specification 9: 19-20.) A trader retrieves a list of items available from a manufacturer or service provider (Specification 10: 12-14.) The trader prepares offerings for each bidder, which contains only materials or services which are being made available to that bidder. (Specification 12:13-16.) The materials or services have a location and category code that meets the broker's profile. *Id.* A trader reviews the collected bids and advances those bids for acceptance. (Specification 9:20 – 10:2.)

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

Claim 1: A method for preparing and presenting entitled offerings to prospective brokers, said prospective brokers including buyers and bidders, and for collecting bids from said prospective

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<sup>2</sup> Our decision will make reference to the Appellants' Appeal Brief ("Br.," filed Aug. 4, 2004) and the Examiner's Answer ("Answer," mailed Aug. 1, 2008.).

buyers, bidders and brokers in response to said offerings, said method comprising the steps of:

- establishing one or more broker entitlement schema in an offering and bid collection system, said broker entitlement schema being based on a contractual arrangement between one or more brokers, one or more traders, and manufacturer or service provider; each broker entitlement schema containing one or more entitlement definitions indicating contractually allowable items which may be offered for sale to each broker by said trader;
- transmitting a first list of available items offered for sale by said manufacturer or service provider from said manufacturer or service supplier to a trader;
- preparing one or more entitled offerings through filtering said first list of available items according to said broker entitlement schema such that said prepared entitled offerings include only information for one or more items to which each broker is allowed to purchase as defined by each broker's associated broker entitlement schema; and
- subsequent to said preparation of entitled offerings but prior to receiving any bids to purchase any offered items, presenting via a computer user interface said entitled offerings to one or more prospective brokers such that each broker may review entitled offerings containing information regarding items being offered for sale on which the broker is entitled to bid, but are not allowed to view information regarding items to which each broker is not entitled to purchase.

## THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Fisher	US 5,835,896	Nov. 10, 1998
Walker	US 6,085,169	Jul. 4, 2000

The following rejection is before us for review:

1. Claims 1-23 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker in view of Fisher.

### ISSUE

The issue before us is whether the Appellants have shown that the Examiner erred in rejecting claims 1-23 under 35 U.S.C. § 103(a). The issue turns of whether one of ordinary skill in the art would have been led by Walker and Fisher to perform the claimed presenting step subsequent to the preparation of entitled offering but prior to receiving any bids to purchase any offered items.

### FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

#### *Claim construction*

1. The Specification provides an express definition for “broker,” which is a bidding party or bidder.  
(Specification 9:7-8.)
2. The Specification provides an express definition for “trader,” which is a party who conducts the process of promoting offers to bidding parties.

*The scope and content of the prior art*

Walker

3. Walker relates to a system and method for managing the sale of goods and services to customers who have submitted an offer to purchase. (Col. 1, ll. 14-17.)
4. Walker describes a conditional purchase offer (CPO) management system which receives CPO's from a customer and CPO rules from airlines and then determines whether any airline is willing to accept a given CPO. (Col. 2, ll. 35-45.)
5. A CPO is a binding offer containing one or more conditions submitted by a customer for purchase of an item at a customer-defined price. (Col. 2, ll. 42-45.)
6. A CPO rule is a set of restrictions defined by an airline to define a combination of restrictions for which the airline is willing to accept a predefined minimum price. (Col. 2, ll. 46-49.)
7. The CPO includes an evaluation process 1700 which compares the CPO to the CPO rules for each airline to generate a response of accept, reject, or counter for the airline. (Col. 19, ll. 48-53.)
8. In one embodiment, if the CPO was accepted by multiple airlines, the customer may select which airline acceptance to utilize. (Col. 20, ll. 27-29.)
9. If one or more counteroffers is generated, the counteroffers are transmitted to the customer to accept or reject each of the counteroffers. (Col. 20, l. 67 – col. 21, l. 20.)

Fisher

10. Fisher relates to a system and method for transmitting and processing auction information. (Col. 4, ll. 35-36.)
11. Fisher describes an auction manager posting a descriptive merchandise catalog page for customers to view before bidding. (Col. 4, ll. 61-66.)

*Any differences between the claimed subject matter and the prior art*

12. Walker does not describe, subsequent to said preparing entitled offerings but *prior to receipt of any bids from said brokers*, presenting via a computer user interface said entitled offerings to one or more brokers.
13. Fisher does not describe the claimed step of preparing one or more entitled offerings through filtering said first list of items against said broker entitlement schema and, therefore, does not describe presenting via a computer user interface said entitled offerings to one or more brokers *subsequent to said preparing entitled offers*.

*The level of skill in the art*

14. Neither the Examiner nor the Appellants have addressed the level of ordinary skill in the pertinent art of electronic commerce. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (Quoting *Litton*

*Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163  
(Fed. Cir. 1985)).

*Secondary considerations*

15. There is no evidence on the record of secondary considerations of non-obviousness for our consideration.

## PRINCIPLES OF LAW

*Claim Construction*

During examination of a patent application, a pending claim is given the broadest reasonable construction consistent with the specification and should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004).

[W]e look to the specification to see if it provides a definition for claim terms, but otherwise apply a broad interpretation. As this court has discussed, this methodology produces claims with only justifiable breadth. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Further, as applicants may amend claims to narrow their scope, a broad construction during prosecution creates no unfairness to the applicant or patentee. *Am. Acad.*, 367 F.3d at 1364.

*In re ICON Health and Fitness, Inc.*, 496 F.3d 1374, 1379 (Fed. Cir. 2007). Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003).

*Obviousness*



“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S. Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” 383 U.S. at 17-18.

## ANALYSIS

### *The Method Claims 1-8*

The Appellants argue that one of ordinary skill in the art would not have been led by Walker and Fisher to perform the claimed presenting step *subsequent to the step of preparing entitled offers but prior to receipt of any bids*. (Br. 10.) The Appellants argue, “Walker, as previously discussed, receives bids from bidders *before* posting available items for sale as it applies to reverse auction processes. Fisher makes no mention of entitlement schema, or of contracts (e.g.,] the term ‘contract’ does not appear in Fisher).” (Br. 11.)

The Examiner admitted that Walker did not disclose the claimed presenting step including the timing of the step being subsequent to said preparation of entitled offerings but prior to receiving any bids to purchase any offered items, but found that Fisher taught the claimed step. (Answer 3-4.) The Examiner states,

[i]t would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the process of presenting the offerings for review prior to receiving bids, as taught by Fisher into the process disclosed by Walker, as an additional rule that may be submitted by the customer when attempting to purchase an item, so that the customer may improve their chances of purchasing the exact item desired.

(Answer 4.)

Claim 1 recites:

subsequent to said preparation of entitled offerings but prior to receiving any bids to purchase any offered items, presenting via a computer user interface said entitled offerings to one or more prospective brokers such that each broker may review entitled offerings containing information regarding items being offered for sale on which the broker is entitled to bid, but are not allowed to view information regarding items to which each broker is not entitled to purchase.

Claim 1 requires the presenting step to take place within a time frame. The starting point of the time frame is “subsequent to said step of preparing entitled offers” and the ending point of the time frame is “prior to receipt of any bids from said brokers to purchase said available items.”

In Walker, a bid from the customer is a conditional purchase offer (CPO). (FF 5.) The CPO is sent to the CPO manager prior to the comparison of the CPO and the CPO rules (i.e., the preparing step). (FF 5 and 7.) The comparison generates responses from airlines, including acceptances of the CPO. (FF 7.) In one embodiment, the customer is allowed to choose from multiple acceptances (i.e., the presenting step). (FF 8.) The customer chooses from the acceptances *after* the CPO generates the acceptances and *after* the CPO is received by the CPO manager. Walker does describe the presenting step occurring prior to the receipt of any bids. (FF 11.)

In Fisher, the bid is placed after the customer views the catalog (FF 10); however, Fisher does not describe the step of preparing entitled offerings (FF 12). Neither Walker nor Fisher teach the step of presenting occurring *between* the starting point and the ending point of the claimed time frame.

Further, we find that one of ordinary skill in the art would not have been led by Walker and Fisher to the modification proposed by the Examiner. The Examiner seems to be modifying Walker's CPO, which contains the conditions submitted by the customer to purchase an item, to include a condition that the airline's acceptances (i.e., the entitled offerings) be presented to the customer before receiving any bids as claimed. (Answer 4.) However, the CPO is the bid. The CPO manager in Walker cannot perform a condition to present entitled offerings prior to receiving any bids, when the condition is contained in the bid. Further, the CPO manager cannot generate acceptances or offers (i.e., the entitled offerings) without the CPO (i.e., the bid) being received. (FF 7.) Therefore, in Walker, the entitled

offerings cannot be presented until after a bid is received. We find that one of ordinary skill in the art would not have been led to make the modification proposed by the Examiner and, even if the modification were made, the modification would not result in the claimed method.

Therefore, we hold that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 103 (a) as being unpatentable over Walker in view of Fisher by failing to make a showing of prima facie obviousness. Accordingly, the rejection of claim 1 is reversed. The rejection of dependent claims 2-8 are likewise reversed.

*The Article Claims 9-16*

The Appellants did not separately argue claims 9-10 (Br. 3) and argued against the rejection of claim 9 for the same reasons as claim 1 (Br. 6.) We note that claim 9 recites a computer readable medium containing a computer executable program code performing steps similar to the presenting step recited in claim 1.

As discussed above with regards to claim 1, we find that one of ordinary skill in the art would not have been led by Walker and Fisher to a computer executable program code performing the presenting step recited in claim 9. Therefore, we hold that the Examiner erred in rejecting claim 9 under 35 U.S.C. § 103(a) as being unpatentable over Walker in view of Fisher by failing to make a showing of prima facie obviousness. Accordingly, the rejection of claim 9 is reversed. The rejection of dependent claims 10-16 are likewise reversed.

*The Apparatus Claims 17-23*

The Appellants did not separately argue claims 17-23 (Br. 3) and argued against the rejection of claim 17 for the same reasons as claim 1 (Br. 6.) We note that claim 17 recites a system including a network application server structured to provide entitled offerings to broker console computers subsequent to preparation of the entitled offerings but prior to receipt of a bid from said broker.

As discussed above with regards to claim 1, we find that one of ordinary skill in the art would not have been led by Walker and Fisher to a system having a network application server structured to provide entitled offerings to broker console computers subsequent to preparation of the entitled offerings but prior to receipt of a bid from said broker. Therefore, we hold that the Examiner erred in rejecting claim 17 under 35 U.S.C. § 103(a) as being unpatentable over Walker in view of Fisher by failing to make a showing of prima facie obviousness. Accordingly, the rejection of claim 17 is reversed. The rejection of dependent claims 18-23 are likewise reversed.

CONCLUSIONS OF LAW

We conclude that the Appellants have shown that the Examiner erred in rejecting claims 1-23 under 35 U.S.C. § 103(a) as unpatentable over Walker in view of Fisher.

Appeal 2009-1641  
Application 09/714,726

DECISION

The decision of the Examiner to reject claims 1-23 is reversed.

REVERSED

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IBM CORPORATION (RHF)  
C/O ROBERT H. FRANTZ  
P. O. BOX 23324  
OKLAHOMA CITY, OK 73123